

Virginia Department of Social Services
Medicaid Fact Sheet #24
HEALTH INSURANCE PREMIUM PAYMENT PROGRAM (HIPP)

WHAT IS THE HEALTH INSURANCE PREMIUM PAYMENT (HIPP) PROGRAM?

HIPP is a federal requirement that all Medicaid-eligible individuals who are able to enroll in a cost-effective private health insurance plan through their employer do so. The HIPP program will pay the employee's share of the premium. Individuals who do not enroll will lose their Medicaid benefits. The HIPP unit at the Department of Medical Assistance Services (DMAS) will evaluate every plan offered to the employee to determine whether the plan is cost-effective, that is, if it would cost less to buy health insurance to cover medical care or to pay for the care with Medicaid funds.

HOW DO I APPLY?

If you or a family member are employed and have access to group health insurance, you are required to complete a HIPP application. Your eligibility worker will forward the application to the Department of Medical Assistance Services (DMAS). You will also be given an Employer Insurance Verification Form which you are required to give to your employer to complete. The employer must return the completed form to the HIPP Unit at DMAS.

WHAT ABOUT MY MEDICAID?

The Medicaid-eligible members of your family will still be covered by Medicaid as a secondary plan. Medicaid will pay for some services not covered by the insurance including co-pays and deductibles.

WHY WOULD I WANT INSURANCE THROUGH MY EMPLOYER?

The insurance may cover services not covered by Medicaid. Members of your family that are not covered by Medicaid may be covered under the employer's insurance plan. Continued enrollment in private health insurance can help meet your pre-existing waiting periods, deductibles, and out of pocket expenses for the time when you will no longer be covered by Medicaid. If you lose your Medicaid eligibility, you may pay the premiums yourself and keep the private insurance. Finally, using private health insurance helps lower costs to the Medicaid program.

HOW WILL THE INSURANCE PREMIUMS BE PAID?

You will be reimbursed by DMAS on a monthly basis for the insurance premiums that are deducted from your paycheck. Your premiums will be paid as long as a family member remains Medicaid-eligible and your premium is cost-effective.

WHAT ARE MY RESPONSIBILITIES?

Any changes in employment, insurance coverage, or household must be reported to DMAS immediately. Every month, you will be required to send DMAS a copy of your most recent paycheck showing the insurance premium deduction. Incorrect payments will be recovered. To report changes or if you have questions, call HIPP at the toll-free number: 1 (800) 432-5924.

MEDICAID FACT SHEET #24 HEALTH INSURANCE PREMIUM PAYMENT PROGRAM (HIPP)

FORM NUMBER - 032-03-842/2

PURPOSE OF FORM - The local agency workers may distribute this form to provide customers with basic policy information regarding the Health Insurance Premium Payment Program (HIPP).

NUMBER OF COPIES - One

DISPOSITION OF FORM - One per inquirer.

INSTRUCTIONS FOR PREPARATION OF FORM - To print this form, first print position should be 8, line spacing should be b, and pitch should be 12. The form does not require the addition of any information by the eligibility worker.